

Message Text

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ACTION AEC-11

INFO OCT-01 EA-11 ISO-00 SCI-06 COME-00 L-03 ACDA-19

CIAE-00 INR-10 IO-14 NSAE-00 NSC-07 RSC-01 FEA-02

SS-20 SP-03 EB-11 AECE-00 XMB-07 AID-20 DRC-01 /147 W

----- 105864

R 181130Z APR 74

FM AMEMBASSY BANGKOK

TO SECSTATE WASHDC 2507

INFO AMEMBASSY TOKYO

AMCONSUL HONG KONG

LIMITED OFFICIAL USE BANGKOK 6301

E.O. 11652: N/A

TAGS: TECH, ENRG, TH

SUBJECT: EGAT NUCLEAR POWER PLANT

REF: A) STATE 076212 (NOTAL)

B) STATE 070658 (NOTAL)

C) BANGKOK 5370

TOKYO FOR AEC. HONG KONG FOR EXIM. DEPT. PASS COMMERCE,
EXIMBANK, USAEC.

1. EGAT (PREECHA CHUNGWATANA, CHIEF ATOMIC POWER DIVISION)
CONFIRMED TO EMBASSY PRESS REPORTS THAT RTG CABINET ON
APRIL 16 APPROVED EGAT'S MAKING DEPOSIT AND APPLYING FOR
USAEC URANIUM ENRICHING SERVICES PRIOR TO JUNE 30. PREECHA
SEEMED ELATED, NOTING THAT MUCH MORE OPPOSITION HAD BEEN
EXPECTED, ESPECIALLY IN VIEW OF SOME RECENT PRESS ARTICLES
OBJECTING TO CONCEPT OF USING NUCLEAR POWER FOR PRODUCING
ELECTRICITY. (ONE SUCH REPORT WAS ATTRIBUTED TO NITPAT
JALICHAN, SECRETARY GENERAL OF NATIONAL ENERGY AUTHORITY,
WHO OBJECTED TO DEPENDENCE ON IMPORTED URANIUM.) EGAT
WAS EVIDENTLY GIVEN SUPPORT BY THAI AEC.

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2. EMBASSY OFFICER ASKED EGAT ABOUT DATA ON FINANCIAL PRO-

JECTIONS EGAT HAD BEEN ASKED TO PRESENT TO SUPPORT APPLICATION FOR EXIMBANK PRELIMINARY COMMITMENT (REF.B) IEPREECHA

SAID MOST MATERIAL IS ASSEMBLED, BUT STILL WORKING ON CASH FLOW ESTIMATES. THIS HAD BEEN DELAYED BECUASE OF EGAT' LONG PENDING REQUEST TO RTG FOR INCREASED ELECTRICITY RATES. GOVERNMENT APPROVAL FOR INCREASE WAS RECENTLY OBTAINED, PERMITTING EGAT TO UPDATE ESTIMATES. PREECHA INDICATED EGAT WOULD TELEX EXIMBANK DIRECTLY ABOUT THIS.

3. ASKED WHEN TENDERS MIGHT BE ISSUED FOR POWER PLANTS, HE THOUGHT IT WOULD BE MAY OR JUNE. HE VOLUNTEERED THAT, WHILE NOT 100 PERCENT CERTAIN, TENDERS WOULDPROBABLY CALL FOR TURNKEY BIDS, WHICH HE THOUGHT WOULD FAVOR U.S. INTERESTS. HE SAID ALL FOUR U.S. COMPANIES WOULD BE INVITED TO SUBMIT BIDS, PLUS GERMAN CONSORTIUM. ASKED ABOUT JAPANESE, HE DID NOT REPLY DIRECTLY BUT SAID HE WAS PERSONALLY AGAINST CONSIDERING JAPANESE OFFER.

4. BOTH PREECHA AND AEC CHAIRMAN DR. SAWAT (SVASTI) LEAVE THAILAND THIS WEEKEND FOR EUROPE, PRIOR TO ARRIVING IN WASHINGTON APRIL 29 TO NEGOTITE SUPERSEDING BILATERAL AGREEMENT WITH USAEC. WHILE IN WSHINGTON, PREECHA SAID HE WOUOD ALSO LIKE TO TALK WITH USAEC OFFICIALS ABOUT URANIUM ENRICHMENT CONTRACT.

5. COMMENT: EMBASSY HIGHLY APPRECIATIVE OF CAREFUL CONSIDERATION GIVEN BY DEPARTMENT AND OTHER CONCERNED AGENCIES TO POTENTIAL PROBLEMS CREATED FOR EGAT BY USAEC PROCUREMENT DEADLINE (REF A). WHILE RATIONALE FOR SUCH DEADLINES WAS OF COURSE RECOGNIZED BY EMBASSY, AS WELL AS BY EGAT AND OTHERS, THIS DID NOT ELIMINATE REAL POSSIBILITY THAT INSISTENC ON DEADLINE MIGHT JEOPARDIZE PROSPECTS OF THIS IMPORTANT ORDER BEING WON BY AN AMERICAN SUPPLIER. (LOCAL GE REP, WHO ALONG WITH LOCAL WESTINGHOUSE REP HAD SHARED THIS CONCERN, TELEPHONED EMBASSY TO MAKE SURE WE WERE AWARE OF REPORTS OF CABINET APPROVAL DESCRIBED ABOVE.) EXPLORING POSSIBILITIES FOR USAEC EXCEPTION THUS SEEMED FULLY WARRANTED. FORTUNATELY, THAT PROBLEM NOW SEEMS TO HAVE BEEN RESOLVED, AND OUTLOOK FOR THIS MAJOR TRADE OPPORTUNITY LIMITED OFFICIAL USE

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REMAINS FAVORABLE EVEN THOUGH CONTRACT IS A LONG WAY FROM BEING SIGNED. EGAT UNDER LEADERSHIP OF MANAGING DIRECTOR KASEM HAS REPUTATION FOR BEING RUN HONESTLY AND IN BUSINESSLIKE MANNER. EMBASSY WILL CONTINLUE TO MONITOR PROJECT CLOSELY. WILL APPRECIATE BEING KEPT INFORMED BY DEPARTMENT OF DEVELOPMENTS WHICH MIGHT ADVERSELY AFEECT FINAL OUTCOME.
KINTNER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: URANIUM, NUCLEAR POWER PLANTS, PROGRAMS (PROJECTS), PROPOSALS (BID), BANK LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 18 APR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BANGKO06301
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
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30 JUN 2005

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Secure: OPEN
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TAGS: TECH, ENRG, TH, EGAT
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